

PREPARED REMARKS OF CHAIRMAN JULIUS GENACHOWSKI
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Thank you, Grant, for that introduction.

Thank you to TIA Chairman Dan Pigott for inviting me and to all of you for welcoming me.

More importantly, thank you for your work to drive innovation, grow our economy and expand opportunity. TIA's companies contribute \$600 billion annually toward U.S. GDP, and employ 3.5 million people. TIA companies are inventing, building and maintaining the indispensable infrastructure of our 21st century digital economy.

Last week, one of TIA's companies made a big move into voice and video over the Internet. Of course I'm talking about TIA member Microsoft, which agreed to acquire Skype. The move is strong evidence that the trend toward next-generation communications technologies is meaningful and accelerating.

Last week, thanks in part to our partnership with TIA member companies like Motorola and Qualcomm, the FCC announced a new way in which next-generation communications are transforming public safety.

At Ground Zero, and together with Mayor Bloomberg and the CEOs of several mobile carriers, we announced the Personal Localized Alerting Network (PLAN), which will allow government officials in times of emergency to send priority text-like alerts to everyone with an enabled device in the relevant geographic areas.

This public safety alert service is just one way that mobile broadband is a unique and strong lever to improve people's lives, and drive our economy and our global competitiveness.

The world is going mobile.

There are 300 million mobile subscribers in the U.S., and 90% of us keep our mobile device within arms length 24 hours a day.

Smartphone sales have eclipsed PC sales.

Mobile broadband is being adopted faster than any computing platform in history.

TIA's members are central to this mobile revolution.

Companies like Apple and RIM have created the innovative devices that have captured our imagination and unleashed unprecedented consumer demand.

Companies like Ericsson, Alcatel-Lucent and Nokia Siemens, build the base stations, antennas, routers, and switches that are the backbone of mobile broadband networks. Most mobile consumers may not know this equipment is there, but our smartphones and tablets wouldn't work without it.

And in the labs of each of those companies are new innovations that will reduce the size of equipment and antennas, and increase speed, efficiency, and capacity.

Now even these brilliant engineers aren't planning to repeal the laws of physics - specifically Shannon's Law, which describes the maximum rate of transmitting information over spectrum.

That creates a major challenge for public policy - because spectrum is the oxygen that ultimately sustains the mobile revolution.

Spectrum - a public resource - is our invisible infrastructure.

As many of you know, there's a debate in Washington about whether government should free up more spectrum for mobile broadband.

Some argue that the looming "spectrum crunch" isn't real.

They contend that the current supply of spectrum set aside for broadband is sufficient.

The facts argue otherwise.

Consider this:

A typical smartphone places 24 times as much demand on spectrum as an old feature phone. Tablets demand 120 times as much.

Multiple experts expect that mobile demand for spectrum will increase more than 35x in the next few years. That's 3,500%.

While demand for spectrum is exploding exponentially, spectrum supply by comparison is much closer to flat.

You tell me. Do you think that might require freeing up more spectrum for broadband?

Actually, you already did tell me. This past March, TIA released a white paper that concluded that the spectrum crunch is real, and that we must act now to unleash more spectrum.

Any objective observer would have to say that the spectrum crunch debate has been put to rest.

And the issue isn't simply mobile broadband for entertainment video -- though what's wrong with more innovation and choice when it comes to video programming.

This is about new businesses, new jobs, and new benefits to all Americans.

Mobile demand will come from much more than traditional one-way entertainment. Keep in mind that smartphones are increasingly providing one-touch seamless ability to send or receive video from wherever you are, at any time.

What if your elderly mother lives at home alone? Now you can check in with her, or vice versa, at any time, wherever you are.

There are more than 18 million college students in this country -- virtually all of whom have mobile phones, soon with 2-way video. Maybe your kids, like my oldest, have left home for college. With mobile video, you could still see them every weekend.

If your car breaks down, whether in a city or a rural area, thanks to these new devices you could consult remotely with a mechanic, who could literally look under your hood and potentially talk you through a repair.

If you were in an accident, you could have a real-time video link allowing consultation with a doctor who could see injuries and talk you through immediate treatment before emergency personnel arrive.

Millions of children in America are on a school bus for more than an hour a day. With mobile broadband-enabled digital learning devices, these buses can become rolling study halls.

Farmers in their fields can track weather or commodity prices in real time. I was in Nebraska yesterday, and I can tell you that farmers and hunters who a few years ago may have assumed that the Internet wasn't going to affect their lives are now insisting on high-speed broadband access.

And how about the opportunities of mobile video for people who work outside of their office? Plumbers or electricians who come across a tricky problem can use their phone to show it in real time to their colleagues, or download videos with tips.

These are just some potential applications of mobile broadband for small businesses. TIA's March report estimates that mobile applications will generate \$860 billion in productivity gains for U.S. businesses by 2016.

And look at what's happening with companies like Groupon, LivingSocial, Twitter, Foursquare, and Gowalla. These companies are developing new ways to connect people to each other, and to connect people to local businesses, in ways that are driving real value -- and relying heavily on mobile. Five years ago, these companies didn't exist. Now, they've already created more than 8,000 new jobs.

We're also at the dawn of a takeoff in machine-to-machine mobile communications – what some people are calling M2M.

This will allow, for example, diabetics to receive continuous, flexible insulin delivery through real-time glucose monitoring sensors that transmit data to wearable insulin pumps. That's just one of dozens of ways that M2M can drive improved health care and lower costs.

M2M also allows remote monitoring of everything from oil wells to bridges to tunnels to help us avoid problems before they occur.

M2M technology is at the heart of the smart grid – empowering efficient energy distribution and improving network reliability.

Connected cars enable remote diagnostics that let you know when your car needs to be serviced. Remote sensors also monitor traffic conditions, which can be sent to your car. Companies can track their fleets in real time, reducing breakdowns and saving energy.

Many M2M uses don't require huge data transmissions, though many will. And consider this: Ericsson's CEO predicts there will be 50 billion Internet connected devices by 2020. To say the least, that starts to add up.

Clearly, the opportunities of mobile broadband are enormous. And clearly we must seize them.

The rest of the world thinks so, and they are moving to free up spectrum and seize the opportunities of mobile.

We can't afford to wait.

Now, there's much we need to do, and are doing:

- Including giving greater flexibility to bands like Mobile Satellite Service to permit terrestrial broadband use.
- Including releasing substantial unlicensed spectrum for the next generation of Wi-Fi, machine-to-machine communication and other innovations.
- Including fostering greater efficiency in technology and software and spurring dynamic spectrum sharing and secondary markets.

Companies here at TIA, including Alcatel-Lucent and NSN, are helping develop important technologies like femtocells which can help relieve some of the spectrum crunch.

The single most important step we can take for U.S. leadership in mobile is implementing voluntary incentive auctions.

Incentive auctions would unleash market forces to reallocate this scarce resource of spectrum

from less efficient uses to more efficient uses. They are two-sided auctions, providing for licensees like over-the-air broadcasters who voluntarily supply spectrum to receive a share of the proceeds. It's an incentive-based approach, grounded in strong free-market principles.

Momentum is building behind this idea.

Incentive auction authority has been included in bipartisan bills in both houses of Congress.

The President included voluntary incentive auctions as a centerpiece of his Wireless Innovation and Infrastructure Initiative. It's in his budget, as well as Congressman Paul Ryan's budget.

In January, TIA and other associations representing more than 2,000 companies with over \$1 trillion in revenue, joined in calling on Congress "to swiftly pass legislation allowing the FCC to conduct voluntary incentive auctions" and calling these auctions "critical to furthering innovation and growing jobs in America."

And last month, 112 of the nation's leading economists endorsed voluntary incentive auctions. The economists who signed this letter include Nobel Prize winners, former members of both Republican and Democratic administrations, and FCC Chief Economists who served under Chairmen of both parties.

It's essential that we move quickly, because the costs of inaction are great.

If we do nothing in the face of the looming spectrum crunch, as in any supply/demand equation, prices will go up. The result will be downward pressure on consumer use of wireless service, and a slowing down of innovation and investment in the space. Emerging markets like mobile medicine, mobile payments, social network-based services, and machine-to-machine connectivity will see their growth stunted.

Other countries – our global competitors – will move forward.

If, here in the U.S., we wait until the crisis is felt through dropped connections and rising prices, we'll have waited too long, because this isn't a problem you can fix overnight. It takes real time to reallocate spectrum.

Every day we delay freeing up new spectrum is a day with real costs to consumers, our economy, our global competitiveness, and our future.

We also need to tend vigilantly to our fixed broadband infrastructure.

For one thing, as companies like Corning have correctly pointed out, even mobile communications travel overwhelmingly by wire, including fiber.

Wireline networks also offer higher speeds for breakthrough innovations. Google's 1-gigabit initiative in Kansas City is an important step forward. We need 20, 30, 40 of these community innovation testbeds.

To speed wired and wireless broadband deployment, we've launched a Broadband Acceleration Initiative at the FCC to identify ways to cut red tape and speed network deployment.

We've established a shot clock for tower siting; reformed our pole attachment rules; and are working with our Technology Advisory Committee on ideas to better use government rights-of-way, like "dig once."

Seizing the opportunities of broadband and mobile communications matters for every single American, and every sector of our economy and society.

You, the companies of TIA, are building this broadband future, turning vision into reality.

It's time to take the necessary steps to ensure that spectrum will be the great enabler of opportunity and innovation in the 21st century, not a chokepoint.

I believe that major policy initiatives like incentive auctions and universal service fund reform are tests of whether the U.S. can make the right strategic choices in a fast-moving and competitive global digital economy.

To the TIA members that have called for incentive auctions and USF reform, I share your vision of what's necessary for U.S. leadership in mobile.

I look forward to working together to fight for our future.

Thank you.